

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, June 2, 2015 at 7:00 p.m., with the following members present:

Brad Lail	Rudy Wright	Hank Guess
Bruce Meisner	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Mick Berry, Assistant City Manager Andrea Surratt, Deputy City Attorney Arnita Dula, City Attorney John W. Crone, III, Deputy City Clerk Sarah Prencipe and City Clerk Debbie D. Miller

- I. Mayor Wright called the meeting to order. All Council members were present.
- II. Invocation by Rev. George Coates, Pastor Hartzell Memorial United Methodist Church and McQueen's Chapel United Methodist Church
- III. Pledge of Allegiance
- IV. Special Presentations
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes
 - A. Regular Meeting of May 19, 2015

Alderman Seaver moved, seconded by Alderman Zagaroli that the Minutes of May 19, 2015 be approved. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Seaver seconded by Alderman Zagaroli and the motion carried unanimously.
- VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderman Patton moved, seconded by Alderman Seaver that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Patton seconded by Alderman Seaver and the motion carried unanimously.

 - A. Approval of a Contract with Hickory Metro Convention Center in the Amount of \$2,233 for the Annual Coworker Appreciation Event and Service Awards. (First Reading Vote: Unanimous)
 - B. Acceptance of a Cemetery Deed Conveying Exchanged Plots. (First Reading Vote: Unanimous)
 - C. Approval of the Purchase of 600 Radio Read Water Meters from HD Supply, Inc. in the Amount of \$105,000. (First Reading Vote: Unanimous)
 - D. Approval of Change Order Number One with Hickory Sand Company, Inc. in the Amount of \$82,410. (First Reading Vote: Unanimous)
 - E. Grant Project Ordinance Number 8. (First Reading Vote: Unanimous)
 - F. Grant Project Ordinance Amendment Number 5. (First Reading Vote: Unanimous)
 - G. Capital Project Ordinance Amendment Number 5. (First Reading Vote: Unanimous)
 - H. Budget Ordinance Amendment Number 19. (First Reading Vote: Unanimous)
 - I. Cloninger Mill Property/North Carolina Outward Bound School (NCOBS) Declaration of Covenants and Restrictions. (First Reading Vote: Unanimous)
 - J. Agreement with Cranfill Sumner & Hartzog LLP for Legal Services related to Willie Grimes vs City of Hickory et. al. (First Reading Vote: Unanimous)
- VIII. Consent Agenda: All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Mayor Wright requested that Items D., E., and H. be removed from the Consent Agenda. Mayor Wright moved, seconded by Alderman Meisner approval of the Consent Agenda with the exception of Items D., E., and H. The motion carried unanimously.

Mayor Wright announced that he moved seconded by Alderman Meisner and the motion carried unanimously.

- A. Called for a Public Hearing – For Consideration of Rezoning Petition 15-01. (Authorize Public Hearing for June 16, 2015)

The property is located at the southwest corner of the intersection of Startown Road and Catawba Valley Boulevard SE and contains 2.36 acres. The request is to rezone from Low Density Residential (R-1) to Regional Commercial (C-3).

- B. Approved Applying for a 2015 Justice Assistance Grant (JAG) to Purchase Additional Officer Body-Worn Cameras and Digital Video Evidence Management Services and Approved on First Reading the Interlocal Agreement with Catawba County.

Hickory Police Department requests permission to use funds from the 2015 Justice Assistance Grant (JAG) to purchase additional body-worn cameras, hardware, hardware service/replacement, and digital evidence management storage. City of Hickory and Catawba County have received notification of approval to receive a combined allocation of \$32,455 under the 2015 Justice Assistance Grant Program. Cities and Counties are required to submit joint applications for the available funding. Catawba County is eligible for a direct award of \$12,900 and the City of Hickory is eligible for a direct award of \$19,555. There is no match required. The City of Hickory has agreed to serve as lead agency in the grant application process. Hickory Police Department recommends approval to apply for the JAG grant to purchase additional body worn cameras, hardware, service and digital evidence management solution in the amount of \$19,555 and to serve as lead agency in the grant process for a combined amount of \$32,455. Hickory Police Department also recommends approval of the Interlocal Agreement between Catawba County and the City of Hickory for allocation of the JAG funds.

- C. Approved on First Reading an Agreement with Alfred Benesch & Company in the amount of \$9,450 to Update the Park Master Site Plan for the Cloninger Mill Property.

In 2008, Alfred Benesch & Company (formerly known as Site Solutions) was contracted by the City of Hickory to develop a Park Master Site Plan for Cloninger Mill property. The plan excluded 10.1 acres of the property which was proposed for future commercial development. This agreement provides for design services to incorporate the additional 10.1 acres into the overall Park Master Site Plan. The updated Master Plan will be utilized to seek North Carolina Parks and Recreation Trust Fund grants for eventual park development. Staff recommends approval of the agreement with Alfred Benesch & Company in the amount of \$9,450 to update the Park Master Site Plan for the Cloninger Mill property. Funds are budgeted in Parks and Recreation Department's current budget.

- D. Removed from Consent Agenda, discussed and approved under "Items Removed from Consent Agenda" the Write-off of Uncollectable Accounts Totaling \$227,716.22, in Accordance with North Carolina General Statutes.

North Carolina General Statutes establish all street assessments and property taxes that are over ten years old and are no longer collectable, and should be written off in conjunction with the annual audit. For the current fiscal year (FY2014-2015), there are no street assessments to be written off, but \$88,081.21 in unpaid property taxes that exceeds the ten year limitation. The City of Hickory's Accounting Division requires all other accounts that are over eighteen months in arrears be written off to comply with "Generally Accepted Accounting Principles" in order to more fairly represent financial assets of the City on the balance sheet. For the current fiscal year, this amount is \$139,635.01.

The Finance Division will continue to pursue collection of the debts. All eligible accounts over \$50 are submitted to the North Carolina Debt Setoff Program for collection. As of May 5, 2015, the City of Hickory has collected \$30,525.59 from the garnishment of North Carolina State tax refunds and North Carolina State lottery winnings during this fiscal year. Staff recommends approval to write-off uncollectable accounts for Fiscal Year 2014-2015.

- E. Removed from Consent Agenda, discussed and approved under "Items Removed from Consent Agenda" the Termination of the Lease Agreement for Property Located at 470 Highway 70 SW.

In June 2004, the City entered into a ground lease agreement with the Hickory Jaycees for a building located at 470 Highway 70 SW. The term of the lease was for twenty-five (25) years with a lease fee of one dollar (\$1.00) per year. The Jaycees used the building and parking for their meetings and events. Due to several factors, including the need for repairs to the building, the Jaycees informed City Staff the organization had found an

alternative location for their meetings and events as of January 2015. Both parties mutually desire to terminate the agreement at this time. Staff requests Council approve the Termination of Lease Agreement between the City of Hickory and the Hickory Jaycees for the property located at 470 Highway 70 SW.

- F. Approved on First Reading a Railroad Permit Agreement from Norfolk Southern Railway Company for Murray Basin Sanitary Sewer Infrastructure Project.

The Murray Basin is the area located between Springs Road, Section House Road, and Highland Avenue. Staff and HDR Engineering Inc. have determined that approximately 6,000 linear feet of the existing system needs to be replaced and enlarged due to the existing pipe being vitrified clay pipe and numerous problems found during inspection. Staff requests approval of a license agreement in the amount of \$19,100 with Norfolk Southern Railway Company to install, maintain, operate, and remove a 12-inch ductile iron sewer force main in a 24-inch steel casing located on the right of way or property of the Railway in the Murray Basin service area.

- G. Approved on First Reading an Amendment to the Priority Use Agreement with the Catawba Valley Youth Soccer Association (CVYSA).

The City of Hickory entered into a Priority Use Agreement with CVYSA in July of 2013 to reflect CVYSA's commitment to contribute \$125,000 towards the purchase and installation of lights on fields 2, 4, 5 and 6 at the Henry Fork River Regional Recreation Park. Under the current \$125,000 financial commitment terms, contributions towards the financial commitment can be made at any time within the first five years of the agreement, but the entire \$125,000 contribution must be made by June 30, 2018. CVYSA has experienced several factors which have significantly impacted the organization's revenue and its ability to meet the current payment schedule.

CVYSA remains committed to fulfilling its financial commitment to the City but now desires to amend the Agreement's terms governing the payment schedule. Under the terms of the financial commitment in the first amendment, CVYSA still agrees to contribute a minimum of \$125,000 towards the installation of lights on the previously mentioned soccer fields. CVYSA agrees to pay an initial \$26,000 of the \$125,000 commitment by June 30, 2015. CVYSA agrees to pay the remaining \$99,000 in nine (9) equal installments of \$11,000 beginning June 30, 2016 and ending June 30, 2024. The annual payment will be made by June 30th of each year. Contributions would include direct monetary payments from CVYSA funds as well as any grant funds obtained by CVYSA. If CVYSA exceeds the \$125,000 commitment as of June 30, 2018, one (1) additional year of priority use will be added to the agreement for each additional \$2,500 above the \$125,000 commitment level. The first amendment to the priority use agreement was presented to, and endorsed by, the Parks and Recreation Commission at their April 14, 2015 meeting. Staff recommends approval of the First Amendment to the Priority Use Agreement with CVYSA for the use of the City of Hickory owned soccer fields at Henry Fork River Regional Recreation Park.

- H. Removed from Consent Agenda and discussed under "Items Removed from Consent Agenda". Council deferred a decision on the Invitation to Bid and Contract to Huffman Grading Co. Inc. in the Amount of \$121,287 for Additional Parking at Glenn C. Hilton Jr. Recreation Park.

The paved parking lot will be constructed directly across 6th Street Drive NW from the existing Glenn C. Hilton, Jr. Recreation Park to provide overflow parking spaces for the facility. Work under the contract will include clearing, grading, paving, curb/gutter and fencing. The Traffic Division will provide the crosswalk on 6th Street Drive NW and parking lot striping. Landscape Services will provide landscaping and Building Services will provide area lighting for the parking lot. Informal bids were received on May 22, 2015. Staff recommends awarding the contract to the low responsive, responsible bidder, Huffman Grading Co., Inc. in the amount of \$121,287 for the construction of Glenn C. Hilton, Jr. Recreation Park additional parking lot.

- I. Approved on First Reading Budget Ordinance Amendment Number 20.

ORDINANCE 15-26
BUDGET ORDINANCE AMENDMENT NO. 20

BE IT ORDAINED by the Governing Board of the City of Hickory, that pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2015.

SECTION 1. To amend the General Fund the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Culture and Recreation	260	-
General Government	-	498,400
Other Financing Uses	498,400	-

TOTAL	498,660	498,400
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To provide the additional Revenue for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	260	-
TOTAL	260	0

SECTION 2. To amend the Water and Sewer Fund the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
	-	-
TOTAL	0	0

To provide the additional revenue for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	68	68
TOTAL	68	68

SECTION 3. Copies of the budget ordinance amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

J. Approved on First Reading Capital Project Ordinance Amendment Number 6.

ORDINANCE 15-27
CAPITAL PROJECT ORDINANCE AMENDMETN NO. 6

BE IT ORDAINED by the Governing Board of the City of Hickory, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, that the following capital project ordinance is hereby adopted for the duration of this project.

SECTION 1. To amend the General Capital Project Fund the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Project	-	197,000
TOTAL	0	197,000

To provide the additional revenue for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	-	72,000
Other Financing Sources	-	125,000
TOTAL	0	197,000

SECTION 2. Copies of the capital project ordinance amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

K. Approved on First Reading Capital Project Ordinance Number 3.

ORDINANCE 15-27
CAPITAL PROJECT ORDINANCE NO. 3

BE IT ORDAINED by the Governing Board of the City of Hickory, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, that the following capital project ordinance is hereby adopted for the duration of this project.

SECTION 1. To amend the Capital Project Fund the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Project	498,400	-
TOTAL	498,400	0

To provide the additional revenue for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	498,400	-
TOTAL	498,400	0

SECTION 2. Copies of the capital project ordinance amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

L. Approved on First Reading Grant Project Ordinance Amendment Number 6.

ORDINANCE 15-29
GRANT PROJECT ORDINANCE AMENDMENT NO. 6

BE IT ORDAINED by the Governing Board of the City of Hickory that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following amendment be made to the grant project ordinance for the duration of the project.

SECTION 1. To amend the Grant Project Fund the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	68	-
TOTAL	68	0

To provide the additional revenue for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Government Revenue	68	-
TOTAL	68	0

SECTION 2. Copies of the grant project ordinance amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

IX. Items Removed from Consent Agenda – Items D., E. and H.

City Manager Mick Berry explained “Item D”, approval of the write-off of uncollectable accounts totaling \$227,716.22. The General Statues establish that all street assessments and property taxes that are over ten years old are no longer collectable and should be written off. He advised that the \$227,000 was over the course of ten years, which averages out to approximately \$22,000 per year. From the current fiscal year there were no street assessments to be written off, but \$88,081.21 in unpaid property taxes that exceeds the ten year limitation. The City of Hickory’s Accounting Division requires all other accounts that are over eighteen months in arrears be written off to comply with the “Generally Accepted Accounting Principles” in order to more fairly represent them on the financial statements of the City. He advised that total for the current fiscal year was \$139,635.01. The City continues to pursue those debts. Everything that is over \$50 is eligible to be pursued through the North Carolina Debt Setoff Program. He explained that process. If you owe the City of Hickory a debt and you receive a North Carolina Income Tax refund the City would get paid before you get the income tax refund back. As of May 5, 2015, the City of Hickory had collected \$30,525.59 from those garnishments. Lottery winnings are also garnished as well. He advised that Finance Director Melissa Miller could answer any other detailed questions.

Mayor Wright commented that the write-off of property taxes was a statutory requirement. In ten years the assumption is that it is uncollectable, but you keep trying to collect it. The other items are not statutory, it is more likely than not uncollectable. The City continues to collect with diligence. He commented that there were some large items in the write-offs. Mayor Wright recommended acceptance of the write-offs. He commented that this is a very small amount of the total dollars that go through the City’s receivables. Most corporations would be very pleased to have this small of a percentage of charge-offs.

Mayor Wright moved, seconded by Alderman Lail to accept the charge-offs. The motion carried unanimously.

Mayor Wright announced that he moved seconded by Alderman Lail and the motion carried unanimously.

Mr. Berry discussed “Item E” which asked Council to consider approving the termination of a lease agreement of City owned property located at 470 Highway 70 SW. The former Catawba County Chamber of Commerce building and was formerly occupied for many years by the Hickory Jaycees. The building was leased to the Jaycees for one dollar per year. It is a very old building and in need of significant repairs. The Jaycees determined that they did not want to do the repairs on the building, and had communicated that with Staff. They have vacated the premises, and are not meeting there anymore. He asked Council to consider terminating the lease with the Hickory Jaycees.

Alderman Meisner questioned if a decision had been made on what to do with the building.

Mr. Berry advised not at this time, but it is in rough shape and he is not sure that the City will want to repair it.

Mayor Wright confirmed that Council would be acknowledging that the Jaycees were wanting to terminate the lease. He confirmed that the Jaycees had been taking care of the routine maintenance on the property.

Mr. Berry confirmed that was correct.

Mayor Wright questioned the size of the parcel.

Mr. Berry estimated a quarter of an acre or a little less, with very limited parking. He advised that Staff would be coming back to Council for further discussion about the building.

Discussion ensued regarding the location and size of the parcel.

Mayor Wright moved, seconded by Alderman Zagaroli acceptance of the Termination of the Lease. The motion carried unanimously.

Mayor Wright questioned "Item H", the location of the parking spaces for the Glenn Hilton Park.

Mr. Berry advised that designed parking is across the road from the park. He advised that Council had previously talked about it approximately a year ago. He asked Mr. Mack McLeod to the podium to discuss the item with Council.

Alderwoman Patton asked about crosswalks. She had concerns about the road being curvy.

Mr. Mack McLeod advised that in 2011 the City purchased a little over an acre lot directly diagonally across from Hilton Park. The City had purchased the property for a future parking lot. Due to the popularity of the park there had been issues with parking especially on the weekend. Funds were appropriated in the Parks and Recreation department budget to construct an additional parking lot consisting of 53 additional parking spaces. Pedestrian signals and pedestrian crossings had been addressed. It will be a gated lot that will only open as needed and will have an automatic gate.

Alderman Guess questioned if there had been discussions about using that for bus parking.

Mr. McLeod confirmed that was correct. Right now it would be relatively closed unless it is needed on the weekends.

Alderman Lail requested a review of the plans. He had concerns regarding the crossing, and felt that something more substantial would be needed for the crosswalk. He also questioned the fencing. He wanted to make sure that it was compatible with both the neighborhood and the existing park use. He also was concerned about the connection, which is directly across from houses. It is not directly across from the park. He confirmed that there was a sidewalk on that side of the street.

Public Service Director Chuck Hansen advised Council that there would be a push button, pedestrian crossing light that would be installed, and a painted crosswalk as well. It is a lighted crossing from a flashing light scenario. The fencing will be a decorative fence that will be placed on top of a landscaped berm area. That will be opposite the lakeside of the property where it adjoins the existing residential property. There will be a three to four foot berm in that area, and on top of that will be a six foot high decorative fence with landscaping. That will serve as a buffer between the existing residential property there and the parking lot. On the east side of the property, which falls towards the pump station will remain natural. They are only using approximately two-thirds of the property. That would be the corner between the driveway of the Money property, the James property, and the pump station.

Alderman Lail questioned how the pedestrian crossing would work at a non-signal crossing.

Mr. Hansen commented that it is a flashing light to warn motorists of pedestrians in the crosswalk area. It is not a traffic signal that is going to stop traffic. It is notification that someone is in the crosswalk and it is activated just like a pedestrian crossing would be from a push button standpoint.

Alderman Lail commented that Council may have to look at speeds along that whole stretch as part of that whole thing, especially between those two turns.

Alderwoman Patton commented that has been a problem on that street for a long time.

Alderman Lail requested a site plan to see what the fence and the berm would look like and to understand how it connects to Hilton Park. He questioned the funds for the project.

Mr. McLeod advised that the funds were appropriated in the current fiscal year.

Mr. Berry advised that Council had talked about this previously and that Staff would be glad to bring back any information that Council would like to see on it.

Alderman Guess questioned if the delay would jeopardize anything.

Alderman Guess confirmed that delaying it one Council meeting would not have a significant impact.

Mr. McLeod stated no sir.

Alderman Lail commented that it is relatively significant at \$120,000 construction and capital project for parks and recreation for arguably our most used park.

Alderman Zagaroli asked if there were drawings on this.

Alderman Lail commented that there was none furnished in the agenda packet, but there was quotes.

Mr. McLeod advised that there were construction plans.

Alderman Lail commented that when the property was acquired that Council had looked at schematics.

Mr. McLeod commented from a Staff standpoint they were very conscious of crossing 6th Street. That is why it has an automatic gate and would not be open only if the existing parking at Hilton Park is filled up.

Alderwoman Patton commented that one of the complaints had been the parking up and down 6th Street. It wasn't that the park was full, but that they quit parking on the side.

City Attorney Crone asked if Council was proposing a motion.

Alderman Lail moved, seconded by Alderwoman Patton for this item to come back before Council for details on construction. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderwoman Patton and the motion carried unanimously.

X. Informational Item

XI. New Business:

A. Public Hearings

1. Public Hearing on the City Manager's FY2015-2016 Recommended Annual Budget.

Pursuant to NC General Statutes §159-12(b), a public hearing shall be held before adopting the budget ordinance. This public hearing was advertised in a newspaper having general circulation in the Hickory area on May 22, 2015. Copies of the budget ordinance were filed for public inspection in the Office of the City Clerk, Patrick Beaver Memorial Library and Ridgeview Library. The recommended budget is also posted on the City's web page, www.hickorync.gov. Pursuant to NC General Statutes §159-13(a), the City Council is required to adopt a balanced budget before July 1, making the appropriations and levying taxes for the budget year. The City Manager recommends adoption of the attached budget ordinance for Fiscal Year 2015-2016.

Mr. Berry presented to Council a PowerPoint presentation. At a prior meeting he had spoken to Council regarding the annual spending plan and the various measures that the City had gone through over the last ten years. Cost saving measures and other things as we have tried to manage through the recession and some significant changes to the local economy. He showed a graph. By law discussions are required on the entire budget. The real part of the budget that is funded with taxes, property tax and sales tax, is the General Fund. The Utility Fund, Sanitation Fund, and Airport Funds are almost completely self-supporting from the fees that either residents or businesses pay or uses of the Airport. The General Fund really becomes the bell weather for looking at what is going on with taxes in the community. Mr. Berry pointed out on the chart what the General Fund budget was for 2004-2005 and where it was in 2014-2015. He advised \$40 million dollars eleven years ago, \$46 million dollars in the current budget. That had increased by \$6 million dollars. In that time there had been the addition of 12 firefighters and 10 police officers. Those were the only substantial staffing changes that were made. He pointed out the line for the property tax. He commented that was almost completely flat. Property tax had gone from \$21.5 eleven years ago to \$23.5, being \$2 million dollars over eleven years or .8 percent a year. He stated that this is a telling chart to look at to understand what is really going on in the General Fund and property tax. What we are doing in the Utility Fund with major capital projects can make it look like there are big increases. In reality for 11 years the City had been extremely flat in the General Fund. This chart represented that. Mr. Berry stated his recommended budget stays consistent with where the City had been in the past, actually a slight decrease. He pointed

out that the number was approximately \$150,000 less than he had presented to Council at the previous meeting two weeks ago. There was an overstatement in a transfer from the General Fund to the Solid Waste Fund which did not materially change the budget. He pointed out the fund where all of the property tax and sales tax are collected and accounted for. That is where the core services of the City that are supported by those taxes are funded from. The Water and Sewer Fund is almost one-half the size of the General Fund. That is 100 percent funded by the monthly fees paid by all the businesses, individuals and the other local governments purchase water and wastewater services. . The sludge composting facility is a subset of the Water and Sewer Fund. . That is accounted for separately because it is partnership with the City of Hickory, the City of Conover, and Catawba County. That is set up to do its own accounting. That revenue, that \$1.7 million dollars is completely funded from the charges of all the users of the system for wastewater pay. The Storm Water Fund is relatively a small amount of money. There is not a separate revenue source to pay for storm water. He advised that would be taxes and fees that are represented there. He addressed the Airport which was approximately \$2.5 million dollars which was a slight increase. That is self-supporting so there is not general tax dollars going from the General Fund to the Airport. Staff had been working hard on that for several years to get it to that point. The Solid Waste Fund was down significantly because the purchase of the rollout carts that are being distributed in this fiscal year. We will not have that expenditure again. . Solid waste is 80 percent funded from the monthly bills that both the businesses and the residents pay. There is only a small subsidy from property tax. All of the Internal Services Funds are basically double accounting as required by Generally Accepted Accounting Principles (GAAP). The Capital Reserve Fund, you budget it in the Water and Sewer Fund and then you move it to the Capital Reserve Fund for accounting purposes and expend it from there. Fleet Maintenance in the Police Department, Fire Department, Utilities, and Sanitation all have money budgeted to maintain their vehicles. When they "pay their bills" to the City that is all accounted for in Fleet Maintenance. The Insurance Fund is the same way. All the cost for Human Resources is accounted for in either the General Fund or the Water and Sewer Fund and then is moved between accounts within the City in the Insurance Fund. You are overstating the budget by \$18 million dollars, but we have to do it that way. That is general accepted accounting principles and law that requires us to account for it that way. That is where you end up with just a little less that a six percent increase in the total overall budget but the General Fund is actually a slight decrease by .34 percent.

Mr. Berry discussed the big issues in the budget this year that had been discussed at the previous meeting which was revaluation of all of the property throughout the County. The City is seeing a six and a half percent drop there. Statutorily a revenue neutral rate has to be presented. The revenue neutral rate for the City of Hickory is 3.95 cents. The rate may change but on average the tax bill stays the same. He gave an example of the average residential property being \$150,000, the tax rate being 50 cents. The average property owner paying \$750 a year or \$62.50 per month. If that average home went down by the average loss that we saw across the City of six and a half percent, you have revenue neutral rate of 53.95. They basically come in 50 cents more a month. There is no way to equalize that across thousands of parcels and properties across the City. The City will not take in any more revenue from revaluation than we have taken in in the past. The Statute does allow you to have a little bit of a growth factored in there. We have new structures and new construction going on throughout the year. They don't make you wipe that out when you do the revenue neutral formula.

Mr. Berry addressed the repeal of the Business Privilege License which goes into effect July 1st and equates to \$1.1 million dollars. To hold the City harmless would require a 2.7 cent tax rate increase. Revenue neutral 3.95 to replace over a million dollars in privilege license loss puts us at a tax rate at 56.65. The loss of the privilege license does effect the taxpayers. This would be the first time in 20 years that Council had considered a property tax rate increase. He showed the chart again of what the General Fund and the property tax revenues had done in 11 years. He pointed out that there were no windfalls and there hasn't been significant growth in the revenues. The total expenditures over the course of 11 years increasing by just a little over one percent a year, and the property tax revenue being even more flat than that. He pointed out the million dollars in Privilege License which had also been very flat in comparison to \$20 million in property tax. The Privilege License funds are gone which creates a million dollar hole. Council would need to uptick the property tax by one million dollars to make up for the million dollar loss that has taken place in the Privilege License.

Mr. Berry commented that the big dollar changes are taking place in the Utility Fund. There is over five and a half million dollars in projects that are being funded in the upcoming year. These are funds that are collected from the sale of water and sewer. These are not tax dollars that are being used to develop the Utility

Fund and replace pipes. They are the actual fees that everybody pays into the system to use water and sewer.

Mr. Berry discussed the overall highlights. The pennies value goes down because of revaluation. We are seeing fairly strong growth in sales tax which is encouraging. We still have a contingency built in of \$650,000 which has been Council's practice and policy for a number of years. When unexpected things come up during the year there is a "small pot" to pull from. He did not recommend any new positions. The merit pay program is funded at two percent and three percent depending on performance. The benefits package stays the same with a few minor increases in deductibles and copays in the health insurance. Per Council's policy fees are increasing consistent with the 2014 CPI which is a little less than one percent. The same policy applies in the Water and Sewer Fund for water and sewer rates. Council had approved contracts to do design work on three major capital projects. That should be designed and ready for bid in the next 12 months and those total five and a half million dollars.

Mr. Berry discussed the Solid Waste Fund. The City processes hundreds of millions of tons of waste per year. Our recycling has been very solid and should continue to uptick significantly with the new rollouts. The Solid Waste Fund is 83.5 percent self-supporting. That had been a strategic initiative that Staff has embarked on for the last several years. He proposed that fee be increased from \$16.50 to \$18.50 per month. Property tax had been so flat you have to pay for services with other mechanisms.

Mr. Berry went back to the chart to discuss what is happening on the average home. He used the \$140,000 home with a tax rate of .5665 which is \$66.17 per month. Doing a comparison, the new monthly tax bill at \$62.50, which would be \$3.67 per month more on property tax and \$2.00 solid waste fee. On the average residential property \$5.67 per month increase.

Mr. Berry discussed the next steps which were to conduct the public hearing. The recommended budget was available on the website. Staff had used a new graphing tool to present the full budget and it was an easy way for the community to look at. The current year budget had been removed when the recommended budget was posted. He would ask Staff to figure out how to do both of those so citizens could do a comparison of the two.

Alderman Seaver asked how the Solid Waste Fund compared to other municipalities.

Mr. Berry commented that is a philosophical policy decision that cities make. Some cities say that is a service that the city provides and they don't charge anybody for throwing out trash. Other places are like the City of Hickory and they want it to be supported by fees. There is a whole mess of what people do out there.

Mayor Wright commented that do you collect it based on property taxes or based on services. The City has chosen the later.

Alderman Lail commented that the capital improvement plan was provided for information within the budget and it is sort of a roadmap and it goes out five years. He asked about construction at police headquarters for an addition at \$500,000. He asked if that was programed for fiscal year 2015-2016.

Mr. Berry advised that was a leftover. That is put out there because of various facility improvements. He used for example the property that was purchased on Highway 127 for future expansion of the Fire Department. Staff doesn't know exactly when the need may be to expand the Fire Department. That money is put out there to remind Staff of things in the future so we can be thinking about them. It is a planning tool to help Staff, Council and the public to know of things that are out there potentially in the future.

Alderman Seaver asked about the sales tax distribution. He asked if they were still battling that and if it would affect the next year.

Mr. Berry commented that he didn't know how they could adopt it and make it retroactive. He showed some charts on that. He showed a map of the State of North Carolina. Right now two cents of the sales tax in North Carolina comes back to the County and then back to the City. It is about 50/50 the way it comes back. One percent comes back on where it was bought. The other part, all of the sales in the whole State of North Carolina goes into a pool and it gets divvied out based on your population. The General Assembly, specifically the Senate is looking at several different Bills that would change that. That would do away with bringing it

back to a community based on where the item was purchased and would distribute it based on per capita. We have not been given access to the formulas yet and have been told that they are trying to hash out ways to do this. He showed charts signifying the impact on Catawba County. Hickory is a regional shopping hub. We have people coming from all over the region to shop. Therefore the one percent that comes back to us based on where you bought it is a good thing. If you change that to population based then we are going to lose. Every scenario shows a negative impact to the City of Hickory and Catawba County. There are a lot less losers than there are winners.

Alderman Seaver commented that we are working hard to get businesses to come to Hickory, and the rest of the people of the State are seeing the fruits of our labor too. We are sharing it so to speak.

Mr. Berry commented Staff had provided hard data to the Legislators identifying approximately four million dollars of very direct cost for Police and Fire calls, and the cost for street maintenance. These figures were very conservative. There significant cost to have a mall, or a Catawba Valley Boulevard. Those are good things, but if you take the sales tax away the cost is still going to be there. People are still going to be here and are still going to be shopping, but we want get the revenue that we are using right now to pay for these services that are required when you are a regional shopping destination. He questioned what the communities would do when they get this windfall of sales tax. Are they going to lower their property tax or go build a pool, or a recreation center, or whatever that they have been wanting to do? You are going to have an overall increase in public spending with that happening. We are not going to be able to avoid the cost. We cannot cut our Police and Fire services because the people are still here. We just will not have the sales tax money to pay for it, so you would potentially have to increase property tax and yet these other communities are going to get these windfalls. He is concerned about the way it impacts Hickory and Catawba County.

Alderman Seaver commented there should be representatives fighting for the people in these areas.

Alderwoman Patton referenced the chart. The water issue is a resource that we have and they are taking it away because they can.

Mayor Wright commented that there is a philosophy that the rural areas have been left behind. Although we are in that urban/rural area we get thrown in with the urban.

Alderman Lail commented that this is all part of the State's effort for tax reform to reduce State income taxes. That may be something that is either good or bad for North Carolina. This is one technique that they are using to do it. How they are implementing it is where it starts to rub up.

Mayor Wright commented that those first passed did not affect income taxes, but down the road the intent is that the sales tax will become a State tax.

Alderman Lail commented that is the way it is in some States. Getting it equalized is where good hard governing comes in play. It is hard decisions.

Mayor Wright commented that ultimately the sales tax will be just part of the State's General Fund and we will have to be raising that same amount of money in property taxes.

Alderman Seaver commented that it is just shifting the taxes, raising on one end and lowering on the other.

Alderman Lail commented that is problematic because it is diverting money away from Hickory and Catawba County. Counties will be bigger losers than municipalities.

Mr. Berry referenced the map. The counties are as concerned about it as the cities are.

Alderman Guess questioned if there were discussions about something to replace Privilege License.

Mr. Berry advised not a word.

Mayor Wright commented that it was promised at one time.

Mr. Berry showed a graph pointing out the various versions that Staff had heard about in the sales tax redistribution. He pointed out the green line, with six percent growth, if nothing were to change and we continue to grow at six percent that is where you would be in 2021. He pointed out where the City would be at on the other three which indicated a loss of several million dollars.

Alderman Seaver questioned the six percent growth per year.

Mr. Berry advised that is what we have seen this year and what we are projecting for next year. He commented that is pretty progressive. If it is less than six percent then the line would shift down, but you are still going to have a pretty significant gap there. Part of the problem is that the formula tries to hold the red areas harmless over time with population growth. The State is projecting that Catawba County's population growth is going to be less than one percent in the next ten years. From the last census to the next census. We are one of the few communities that might be able to grow our way out of this. Unless we are super successful at attracting people and businesses and can grow our population in the two to four percent range, we are going to really struggle. Mecklenburg, and Wake County are in red now, but they are projected to have almost double digit growth. The population formula will start holding them harmless at some point in time. We are one of only five counties that are projected to not grow our way out of this by 2020.

Mayor Wright explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor to the proposal. No one appeared. Mayor Wright closed the public hearing.

Alderman Lail moved, seconded by Alderwoman Patton approval of the City Manager's FY2015-2016 Recommended Annual Budget. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderwoman Patton and the motion carried unanimously.

Mr. Berry commended Melissa Miller and Karen Hurley for their work on the budget.

Mayor Wright added and the Department Heads. There is a lot of time that goes into it beforehand.

Alderman Lail commented for 10 years our City Staff leaders and Department Heads, Managers, and Finance Directors have done such a good job in keeping us consistent in what we have seen within the economy and with the property taxes. There are other communities that have not fared that well. For us to have made it in that ten year decline, without major changes is commendable. They have made some really tough decisions and continue to do so.

Mayor Wright added in times that are as tough as anybody in the State has faced.

Alderwoman Patton commented that we have not had a lack of service in which our City does have fantastic services to everything that we offer. It is commendable for what you have been able to do.

Mr. Berry commented that there had been a good partnership between the professional Staff and the elected officials to jointly wade through these difficult challenging times.

Alderman Seaver commented that we have done so much, with so little for so long, now we can do everything with nothing.

Alderman Meisner commented that stood for 30 years. We have had great Staff the whole time. It had been a good partnership.

Mayor Wright recognized Mr. Phil Yount who had served for 24 years with the City. Mr. Yount continues to serve as the Chairman of the TDA. He donates his knowledge to the City. Mayor Wright commented on how invaluable that knowledge is and the City is getting it for nothing. He thanked Mr. Yount for his service.

ORDINANCE 15-30
CITY OF HICKORY
BUDGET ORDINACE
FISCAL YEAR 2015-2016

BE IT ORDAINED by the Governing Board of the City of Hickory, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Ad Valorem Taxes	\$24,986,613
Other Taxes	13,848,165
Unrestricted Intergovernmental Revenues	525,000
Restricted Intergovernmental Revenues	2,018,825
Licenses and Permits	7,255
Sales and Services	1,744,885
Investment Earnings	125,000
Miscellaneous	267,000
Other Financing Sources	<u>2,574,233</u>
	\$46,096,976

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:

General Government	\$5,945,123
Public Safety	22,185,081
Transportation	5,906,643
Economic and Community Development	2,763,670
Culture and Recreation	6,034,469
Other Financing Uses	1,458,196
Debt Service	1,153,794
Contingency	<u>650,000</u>
	\$46,096,976

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Restricted Intergovernmental Revenues	\$1,350,217
Sales and Services	21,238,000
Investment Earnings	50,000
Miscellaneous	320,000
Other Financing Sources	<u>5,500,000</u>
	\$28,458,217

SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$23,359,351
Other Financing Uses	872,946
Debt Service	4,075,920
Contingency	<u>150,000</u>
	\$28,458,217

SECTION 5: It is estimated that the following revenue will be available in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Restricted Intergovernmental Revenues	<u>\$1,725,076</u>
	\$1,725,076

SECTION 6: The following amounts are appropriated in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016 in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$1,725,076</u>
	\$1,725,076

SECTION 7: It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Other Financing Sources	<u>\$265,893</u>
	\$265,893

SECTION 8: The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016 in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$265,893</u>
	\$265,893

SECTION 9: It is estimated that the following revenues will be available in the Transportation Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Sales and Services	\$2,435,496
Investment Earnings	1,000
Other Financing Sources	<u>53,422</u>
	\$2,489,918

SECTION 10: The following amounts are appropriated in the Transportation Fund for the operation of Transit and Airport activities for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:

Transportation	<u>\$2,489,918</u>
	\$2,489,918

SECTION 11: It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Other Taxes	\$25,000
Sales and Services	4,096,200
Investment Earnings	5,000
Miscellaneous	3,000
Other Financing Sources	<u>641,049</u>
	\$4,770,249

SECTION 12: The following amounts are appropriated in the Solid Waste Fund for the operation of recycling, residential solid waste collection and commercial bulk services activities for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$4,770,249</u>
	\$4,770,249

SECTION 13: It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016:

Other Financing Sources	<u>\$8,314,000</u>
	\$8,314,000

SECTION 14: The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016 in accordance with the chart of accounts heretofore established for this City:

General Government	\$925,000
Transportation	40,000
Environmental Protection	740,000
Other Financing Uses	<u>6,609,000</u>
	\$8,314,000

SECTION 15: The following amounts form the revenue portion of the financial plan for the Fleet Maintenance Fund:

Sales & Services	<u>\$2,942,924</u>
	\$2,942,924

SECTION 16: The following amounts form the expenditure portion of the financial plan for the Fleet Maintenance Fund:

General Government	<u>\$2,942,924</u>
	\$2,942,924

SECTION 17: The following amounts form the revenue portion of the financial plan for the Insurance Fund:

Sales & Services	\$6,510,183
Investment Earnings	<u>40,001</u>
	\$6,550,184

SECTION 18: The following amounts form the expenditure portion of the financial plan for the Insurance Fund:

General Government	<u>\$6,550,184</u>
	\$6,550,184

SECTION 19: The operating funds encumbered on the financial records of June 30, 2015 are hereby re-appropriated into this budget.

SECTION 20: There is hereby levied a property tax at the rate of fifty-two cents (\$0.5665) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2015, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$4,415,178,221 and the Fiscal Year 2014-2015 estimated rate of collection of .969%.

SECTION 21: The corresponding "FY 2015-2016 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

SECTION 22: The City Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within the same functional area within a fund without limitation and without a report being required.
- b. He may transfer amounts up to \$1,000 between functional areas including contingency appropriations, within the same fund. He must make an official report on such transfers at the next regular meeting of the Governing Board.
- c. He may not transfer any amounts between funds, except as approved by the Governing Board in the Annual Budget Ordinance as amended.

SECTION 23: Copies of the Annual Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the City Manager (Budget Officer) and the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

ORDINANCE 15-31
2015 COMMUNITY DEVELOPMENT ENTITLEMENT
BLOCK GRANT PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

SECTION 1. The project authorized is the 2015 Community Development Entitlement Block Grant program.

SECTION 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Housing and Urban Development, and the budget contained herein.

SECTION 3. The following revenues are anticipated to be available to complete the project:

Restricted Intergovernmental Revenues	\$300,041
Miscellaneous	<u>\$165,000</u>
	\$465,041

SECTION 4. The following amounts are appropriated for the project:

Economic and Community Development	<u>\$465,041</u>
	\$465,041

SECTION 5. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

SECTION 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in a orderly and timely manner.

SECTION 7. The Finance Director is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

SECTION 8. The City Manager (Budget Officer) is directed to include a summary analysis of past and future costs and revenues on this grant project in every budget submission made to this board.

SECTION 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, the City Manager (Budget Officer) and the Finance Director for direction in carrying out this project.

B. Departmental Reports:

1. Authorize Staff to Apply for the US Department of Transportation TIGER Discretionary Grant in the Amount of \$27,500,000.

The TIGER Discretionary Grants provide funding up to 80 percent of project costs in urban areas for surface transportation infrastructure project that will have a significant impact on the nation, a region, or metropolitan area. There is a \$10 million dollar minimum funding request. The City of Hickory’s TIGER request will be \$27.5 million dollars. Funds will be used for critical infrastructure improvements such as streets, sidewalks, crosswalks, gateways, trails, and streetscape to promote the City as a choice location to live, work and play, and one where businesses want to locate, invest and expand. The match requirement is 20 percent of the grant award. The \$40 million dollar bond referendum will serve as the non-federal funding match. Staff recommends Council authorize Staff to apply for the TIGER Discretionary Grant in the amount of \$27,500,000.

Mr. Berry asked Assistant City Manager Andrea Surratt to the podium to present an application to the US Department of Transportation for a \$27.5 million dollar grant possibility.

Mrs. Surratt advised Council that this grant application had come up fairly quickly. We have a project opportunity to apply for some funding for one of the bond projects. She advised that this is a Federal DOT Grant Application. Staff requested Council’s permission to apply for the grant. It is a TIGER grant which stands for “Transportation Investment Generating Economic Recovery”. This is the seventh round of TIGER grants for the nation. The City would like to submit an application for the “Citywalk” project. The request was to consider a 22 million dollar grant application for the citywalk, which required a 20 percent match of approximately 5.5 million dollars. The citywalk project had the most detailed cost estimates prepared by LandDesign through the Inspiring Spaces project. She advised that number was a high number, but a very complex project. The estimate was \$27.5 million. Those numbers and those details are the level of information that is needed by DOT. With the short timeframe for this grant that is one factor on why this project is being submitted for approval.

Mrs. Surratt advised that 60 days ago the Secretary of Transportation Anthony Foxx announced the 500 million dollar transportation funding pool for the TIGER grants. The City would have until Friday, June 5th to get this full application in. In April we were in the process of contracting with Freese Nichols. Their consultant Jessica Martin-Lane with Martin McGill Associates was tasked with finding supplemental funding. This grant came up on the radar. Staff worked with her to do a pre-application. We are now able to apply for the full project. She advised that it is about transportation projects that are tied to generating economic development. She commented that there are a lot of streetscape projects that are tied with the bond. Those are still concepts on paper and have not had any engineering done. For this cycle of grant applications we have more detailed information related to citywalk. Citywalk falls in the intermodal category of the type

of project that would be considered. It might stand out a little more than just a highway project. This particular grant is interested in providing affordable transportation, so walking, biking, and travel with areas that are disconnected. We have made the case that our college area all the way up to the lake is a way that should be connected for people to travel. We have identified sites along the citywalk for redevelopment for corporate headquarters. That emphasis in our plan is going to stand out quite significantly in our application. Community revitalization, workforce development, education services, connections to those jobs, all of that is what the TIGER grant is seeking out. She showed a PowerPoint presentation which displayed the plan. The plan also included bridge improvements which are also allowed as an eligible project. She displayed a list from the website for TIGER. She had left a handout at Council's seat for their information. Intermodal is probably the greatest category link to the grant.

Mrs. Surratt discussed the funding. We are seeking 22 million, which was the recommended amount from consultant Jessica Lane. The City would put up \$5.5 million dollars for the 20 percent match. This grant is so significant nationwide that for urban areas it is a minimum of \$10 million dollars to apply. Some of our projects would not meet the test for that amount of money. A lot of things wouldn't even be able to be applied for. It is related to regionalism, interconnectivity, economic development and revitalization.

Alderman Seaver commented that we are ahead of the curve compared to other communities.

Mrs. Surratt advised that timing is on our side because we had this plan ready and they only give you 60 days to get it in. Cities have to have something ready to submit or miss the opportunity. She discussed the timeline. If we were to receive an award for the grant we should hear by early September. We would need to decide if we were ready to agree to participate with DOT and sign the document by September 30th. That would obligate the City to the match and you would have until September 2022, five years, to spend the money and build the project. She advised that was really a nice timeframe sequence with what we already have for the bond program.

Alderman Lail questioned when the City would find out.

Mrs. Surratt advised 2015.

Mayor Wright commented that they were going to get hundreds of applications.

Mrs. Surratt advised that they would, and it is nationwide. Asheville and Goldsboro in North Carolina had previously received a grant. Atlanta received one for a street car project. We are as competitive as other cities. Larger urban areas would compete and ask for funding. We have to do our homework to connect with our Legislators in Washington. We also need to present this plan to them so they can make some calls. It is a competition. We stand a good chance because of our decline in population and jobs. We make the case very strongly that we need this type of regional revitalization. This is one project that could help spur that. We have already recognized it, we just didn't decide to make it up after the grant was awarded, or announced. We actually knew that this was what we needed to do. One piece of the puzzle.

Mayor Wright commented that this is clearly a regional amenity. It is like our parks. It will be used regionally and we don't charge people from outside this region to use them. We provide regional amenities.

Mrs. Surratt advised that it goes across two counties if you count it going out to the lake. It crosses into Burke County. It is a longer range look at that project.

Mayor Wright commented that it will be used by people from even a wider range.

Mrs. Surratt advised that the consultants are working very hard and they know how to do this. She commented that at a quick request Staff had responses from Corning with a letter of support, Patrick Harper and Dixon, The Salt Block Foundation, Chamber of Commerce, EDC, the COG, HDDA, Innovate Catawba, the Symphony, and a number of others. She advised Lenoir-Rhyne University was in the pipeline and also CVCC. She commented there were a number of letters of community support for the grant application.

Alderman Seaver asked how much of that grant money was available.

Mrs. Surratt advised 500 million dollars.

Alderman Seaver asked if that was just for this year.

Mrs. Surratt replied yes sir.

Alderman Seaver commented since 2009 they had provided over \$790 million dollars.

Mayor Wright commented that at \$20 million a pop that is 40 cities.

Mrs. Surratt commented that some are larger applications than even that. The average grant was around \$17 million dollars and ours was \$22 million dollars.

Mayor Wright commented look at how many projects that we could add to our list.

Mrs. Surratt advised that we have a good grant writer with Martin McGill, and we are in good standing to make that application.

Alderwoman Patton moved, seconded by Alderman Zagaroli approval to apply for the US Department of Transportation TIGER Discretionary Grant. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderwoman Patton seconded by Alderman Zagaroli and the motion carried unanimously.

Mayor Wright commented that some cynics would say that is government money that is borrowed from other foreign countries, it is not money that is really in the bank. It is printing money in order to do this for us. Mayor Wright advised that his response would be whether we get in line for these grants or not, our grandchildren will be paying them back. He preferred that they only spend what they have in the bank. If we are going to be paying back money that is going to California, Texas, Michigan and other places let's get in line to get some of it for our grandchildren's benefit.

2. Appointments to Boards and Commissions

BUSINESS DEVELOPMENT COMMITTEE

(Terms Expiring 6-30; 2 Year Terms) (Appointed by City Council)

At-Large	Jeff Neuville (Not Eligible for Reappointment)
At-Large	Dave Gissy (Not Eligible for Reappointment)
At-Large	Dave Paist (Not Eligible for Reappointment)

CATAWBA COUNTY ECONOMIC DEVELOPMENT BOARD OF DIRECTORS FOR HICKORY

(Terms Expiring 6-30; 3-Year Terms with Unlimited Appointments) (Appointed by City Council)

Position One Gary Garvey and Stephen Shuford have expressed interest

CITIZENS ADVISORY COMMITTEE

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large	Joseph M. Hart (Eligible for Reappointment)
At-Large	Michael L. Holland (Not Eligible for Reappointment)

Mayor Wright reappointed Joseph M. Hart to the Citizens Advisory Committee, At-Large Representative.

COMMUNITY APPEARANCE COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 1	Steven E. Bowman (Not Eligible for Reappointment)
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COMMUNITY RELATIONS COUNCIL

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

African-American	Crystal S. Killian (Eligible for Reappointment/ Willing to Serve)
Caucasian	VACANT
Caucasian	Neal Orgain (Eligible for Reappointment/Does not wish to serve again)
Other Minority	Ray Cerda (Eligible for Reappointment/ Does not wish to serve again)
Other Minority	VACANT
Differently Abled	Beth Whicker (Eligible for Reappointment/ Willing to Serve)

Mayor Wright reappointed Crystal S. Killian to the Community Relations Council as the African-American Representative and Beth Whicker as the Differently-Abled Representative.

HICKORY REGIONAL PLANNING COMMISSION

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)

(Appointed by City Council)

Ward 4		Sam Hunt (Eligible for Reappointment)
Burke County	(Mayor to Nominate)	VACANT Since 8-6-2008
Brookford	(Mayor to Nominate)	VACANT Since 6-2006
Caldwell County	(Mayor to Nominate)	James R. Noggle (Eligible for Reappointment)
Catawba County	(Mayor to Nominate)	Oscar Vasquez (Eligible for Reappointment)

HISTORIC PRESERVATION COMMISSION

(Terms Expiring 6-30; 3-Year Terms (Appointed by City Council)

Licensed Architect	Christopher Wilson	(Eligible for Reappointment/ Does not wish to serve again)
At-Large (2)	Jody Blake	(Eligible for Reappointment/ Willing to Serve)
At-Large (3)	Thomas R. Dobbins	(Eligible for Reappointment/ Does not wish to serve again)

Mayor Wright reappointed Jody Blake to the Historic Preservation Commission as the At-Large (2) Representative.

INTERNATIONAL COUNCIL

(Appointed by Mayor with the Concurrence of City Council)

Alex Mezei Resigned 3-19-2015

(10) VACANT Positions

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 2	Walter Smith (Eligible for Reappointment/Willing to Serve)
Ward 3	Kathy Ivey (Not Eligible for Reappointment)
Ward 6	Carolyn Sinclair (Eligible for Reappointment/Willing to Serve)
At-Large (3)	(Mayor to Nominate) John T. Kenny (Eligible for Reappointment/Willing to Serve)

Alderman Meisner reappointed Walter Smith to the Library Advisory Board as the Ward 2 Representative.

Alderwoman Patton reappointed Carolyn Sinclair to the Library Advisory Board as the Ward 6 Representative.

Mayor Wright reappointed John T. Kenny to the Library Advisory Board as the At-Large (3) Representative.

PARKS AND RECREATION COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 1	Michael (Tony) Wood (Not Eligible for Reappointment)
Ward 4	Allen Mitchell Jr. (Eligible for Reappointment/Willing to Serve)
Ward 5	David Crosby (Eligible for Reappointment/Willing to Serve)
Ward 6	Jim Powers (Eligible for Reappointment/Willing to Serve)
At-Large Minority (1)	Bee Yang (Eligible for Reappointment)
At Large (2)	VACANT

Alderman Lail nominated Lanie Wood to the Parks and Recreation Commission as the Ward 1 Representative.

Alderman Guess reappointed Allen Mitchell Jr. to the Parks and Recreation Commission as the Ward 4 Representative.

Alderman Zagaroli reappointed David Crosby to the Parks and Recreation Commission as the Ward 5 Representative.

Mayor Wright reappointed Bee Yang to the Parks and Recreation Commission as the At-Large Minority (1) Representative.

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 1	Jennifer Helton (Eligible for Reappointment/Willing to Serve)
Ward 3	VACANT

At-Large (Mayor Nominates)	VACANT
At-Large (Mayor Nominates)	Thomas McBrayer (Eligible for reappointment/Does not wish to serve again)

Alderman Lail reappointed Jennifer Helton to the Public Art Commission as the Ward 1 Representative.

PUBLIC HOUSING AUTHORITY

(Terms Expiring 6-30; 5-Year Terms (Appointed by Mayor)

Position 2	(Mayor Nominates)	Dr. Sidney Myles (Eligible for reappointment/Willing to Serve)
Position 3	(Mayor Nominates)	Clement Geitner (Eligible for Reappointment)

Mayor Wright reappointed Dr. Sidney Myles to Public Housing Authority as the Position 2 Representative.

RECYCLING ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3	VACANT
Ward 5	J.C. Epting (Eligible for Reappointment/Does not wish to serve again)
At-Large (1)	VACANT

Alderman Zagaroli nominated Bob Warmuth to the Recycling Advisory Board as the Ward 5 Representative.

UNIVERSITY CITY COMMISSION

(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)

At-Large	Joyce Beard (Eligible for Reappointment/Willing to Serve)
At-Large	Bill McBrayer (Eligible for Reappointment/Does not wish to serve again)

Mayor Wright reappointed Joyce Beard to the University City Commission as an At-Large Representative.

Mayor Wright moved, seconded by Alderman Seaver approval of the above nominations and reappointments. The motion carried unanimously.

Mayor Wright announced he moved seconded by Alderman Seaver and the motion carried unanimously.

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

Mr. Berry recognized interns with the City for the month of June, Daisy Zavala-Vazquez from Lenoir-Rhyne University, and Melissa Loveless who just graduated from Western Carolina.

Mayor Wright commented about events in the community. The dinosaurs are back at the Science Center and the Sails Concert Series.

Alderman Seaver mentioned the Tastin', Tunes, and Tomatoes Farmers Market on the third Thursday in the month.

Mayor Wright commented about a posting on Facebook from one of his friends regarding her excitement with the new recycling plan.

Alderman Seaver commented that his wife actually had a sign that said "Welcome Big Blue" regarding the big blue recycling can that was coming.

Alderman Lail commended Public Services Director Chuck Hansen and Staff for their work in making the recycling program happen.

Alderman Seaver mentioned a Facebook friend in East Tennessee who is now a City Council member in Kingsport and President of a bank. He commented that his friend said that it is real exciting to see what is going on in Hickory. The word is spreading, people are hearing about it and knowing about it.

Mayor Wright commented that the Governor, Speaker of the House, and the President of the Senate knows about us and what we are trying to do. He commented that the stars are lining up.

- XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(4) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Mr. Berry requested Council add to Closed Session potential litigation and existing litigation, Willie Grimes versus the City of Hickory. (NCGS §143-318.11(a)(4)).

Alderman Lail moved that Council go into closed session to consult with the attorneys to discuss the items below and the addition of the potential litigation and current litigation requested by Mr. Berry, seconded by Alderman Seaver. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderman Seaver and the motion carried unanimously.

1. Approval of Closed Session Minutes of May 19, 2015 - NCGS §143-318.11(a)(1)
2. Discussion of Economic Development - NCGS §143-318.11(a)(4)

No action was taken upon return to open session.

- XIV. There being no further business, the meeting adjourned at 9:11 p.m.

Mayor

City Clerk